

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Department of Tourism – Promotion of Tourism – Setting up of “4 Star Business Class Hotel” at NITHM premises, Gachibowli, Hyderabad by “M/s Maha Hotel Projects Private Limited”, Mumbai – Permission – Accorded.

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Youth Advancement, Tourism and Cultural Affairs (Tourism) Department

GO Ms No. 653

Dated:02-07-2010

READ the following

- 1) Minutes of the 23<sup>rd</sup> Governing Council Meeting dated 31.7.2009.
- 2) Evaluation Report of APITCO vide Letter No.APITCO/KLN/NITHM/ 4 STAR/Repositioned/1001/2009, dated 1.10.2009.
- 3) From the DG & Member Secretary, NITHM Letter No.NITHM/FIN/161/ 2009-10, dated 4.11.2009.
- 4) Minutes of the 24<sup>th</sup> General Council meeting dated 7.1.2010.
- 5) From M/s Maha Hotel Projects Private Limited, Mumbai, Letter, dated 31.5.2010.

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Order:

The National Institute of Tourism & Hospitality Management, Hyderabad in terms of the resolution passed in their 8<sup>th</sup> Governing Council meeting on 21.3.2005, issued RFP (Request for Proposal) document inviting interested developers for setting up of a “4 Star Business Class Hotel” at NITHM premises, Gachibowli, Hyderabad under PPP mode on BOT basis. The responsibility of evaluation of the financial and technical bids was entrusted to the APITCO. The evaluation report of the APITCO was examined by a Panel of Jury constituted by NITHM with officials of Municipal Administration & Urban Development Department, Greater Hyderabad Municipal Corporation, in addition to the Principal, Institute of Hotel Management, Catering Technology & Applied Nutrition, Gol, Hyderabad, Director-General, Finance Officer, Dean (Hospitality) and Chief Administrative Officer from NITHM, Senior Consultant from APITCO and Secretary-General of HRAAP. Of the six prospective bidders purchased RFP documents, only one bidder, viz, M/s Maha Hotel Projects Pvt Ltd , finally submitted their bid, even though the bids were invited for the second time. The Jury thus constituted has recommended the Bidding Consortium of M/s Maha Hotel Projects Pvt Ltd, along with M/s Hilton International Manage LLC, who emerged as successful single qualified bidder with their highest ‘Revenue Offer’ to Government, for award of the said project, duly assigning 72% marks as against required marks of 50%.

The Director-General, NITHM in his letter second read above has furnished the Resolution of the 23<sup>rd</sup> Governing Council Meeting dated 31.7.2009 wherein the proposal for setting up of a 4 Star Business Class Hotel in the premises of NITHM by M/s Maha Hotel Projects Private Limited, Mumbai, for acceptance of Government.

Government after careful examination of the Evaluation Report of the APITCO, vide reference second read above, the recommendations of the Jury, the Resolution passed by the Governing Council of NITHM in their 23<sup>rd</sup>

and 24<sup>th</sup> meetings and also the detailed proposals submitted by M/s Maha Hotel Projects Private Limited, Mumbai, hereby accept the proposal of the

Director-General, NITHM for setting up of a “4 Star Business Class Hotel” at NITHM premises, Gachibowli, Hyderabad, by the Consortium of M/s Maha Hotelj Projects Pvt Ltd, Mumbai along with M/s Hilton International Manage LLC, subject to the following conditions:

- 1) The extent of land belonging to NITHM requisitioned / proposed for the purpose of the said Hotel project shall be on lease, basing on the basic market value of Rs.20,000/- per square yard as per the Sub-Registrar's records, on usual terms and conditions applicable to projects being awarded under PPP mode on BOT basis, as approved by Governing Council.
- 2) The salient features of the proposed project quoted by M/s Maha Hotels Pvt Ltd along with M/s Hilton International Manage LLC, shall be as approved by the Governing Council and the project completion period shall be 30 months.
- 3) The project cost is Rs.75.50 crores as per the bid document submitted by the Developer and the project development fee to be paid to NITHM by the developer would be 1% of the project cost.
- 4) The additional development premium would be Rs.62 lakhs (offered by the developer against the stipulated amount of Rs.60 lakhs by NITHM) or 3% of Gross Revenue whichever is higher; commencing from fourth year with an escalation of 5% thereon every year.
- 5) The extent of land being 3.00 acres (14,520 sq yds) to be leased out for 33 years at a lease rent of Rs.1,45,20,000 (5% of the land value) for the first year with an escalation 5% every year thereon, per annum.

M/s Maha Hotel Projects Pvt Ltd MHPPL) have proposal to develop a hotel at NITHM premises in collaboration with Hilton International, USA (through Hilton International Management LLC) with their most up market (Mid Business segment) “Double Tree by Hilton” and the training facilities to be extended to the deserving and eligible students of NITHM.

- 1) The hotel operation shall engage total staff strength of over 500 employees and regular summer jobs, internships and creating of full-time employments opportunities to the willing and deserving students of NITHM.
- 2) Various “Leader-in-Training” programs will be undertaken by the hotel management staff, as guest lecturers to the students during the academic sessions.
- 3) With the fulltime training / employment, the students of NITHM will be benefited through the enrolment to “Hilton University”, an online portal for regular learning and development, subject to fulfillment of eligibility conditions stipulated by Hilton International.
- 4) The Company imparts practical training for BBA and MBA courses during the semesters, including visits to hotel, live projects, guest interaction and event management, on regular basis

The Director-General, NITHM shall ensure that the above commitments made by the Developer in their letter fifth read above, with regard to extending of benefits to the students of NITHM are fulfilled.

The Director-General, NITHM shall enter into necessary agreements / Memorandum of Understanding, viz, Lease Deed Agreement, Development & Management Agreement, etc, with the developer with regard to the terms and conditions as stipulated by Government from time to time in connection with the PPP projects on BOT basis, within 30 days from the issue of this order.

The terms and conditions shall be as per the RFP document issued by NITHM and the Bid Documents submitted by the Developer. The Consortium Agreement / Technical Collaboration including Management Agreement with Hilton International Management LLC, and the due-diligence thereof, shall be in the records of NITHM.

The Developer shall submit a Detailed Project Report indicating all proponents of the proposed project with the latest estimated project cost to NITHM, within 30 days of this order, for approval. The Developer shall achieve the financial closure within 90 days from the date of approval of the Detailed Project Report (DPR).

(By Order and in the name of the Governor of Andhra Pradesh)

JAYESH RANJAN  
SECRETARY TO GOVERNMENT

To  
The Director-General,  
The National Institute of Tourism & Hospitality Management,  
Gachibowli, Hyderabad.

Copy to:       the Secretary, Department of Tourism, Government of India,  
New Delhi.  
M/s Maha Hotel Projects private Limited, 811, 8<sup>th</sup> Floor, Maker  
Chambers V, 221 Nariman Point, Mumbai-400 021.  
the Collector & District Magistrate, Ranga Reddy, Hyderabad.  
the Commissioner of Tourism, AP, Hyderabad.  
the Vice-Chairman & Managing Director, APTDC, Hyderabad.  
the Spl Secretary to CM / PS to M (Tourism) / PS to CS / PS to  
Secretary (Tourism) / Commissioner, I&PR.

// Forwarded :: By Order //

SECTION OFFICER